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UNITED NATIONS DEVELOPMENT PROGRAMME

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Country and intercountry programming and projects

COUNTRY PROGRAMME OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

Note by the Administrator

Programme period	IPF for 1977-1981
1980-1985	$17.75 million

I. Nature of the programming exercise

1. Preparations for the third country programming exercise began in the second quarter of 1978 with a series of sectoral analyses undertaken by the Government in collaboration with the Specialized Agencies, whose participation was co-ordinated by the UNDP Resident Representative. Organizations such as the World Bank, United Nations Capital Development Fund, United Nations High Commissioner for Refugees, United Nations Children's Fund, United Nations Fund for Population Activities, the International Fund for Agricultural Development and the Asian Development Bank were involved in order to provide for the integration of technical and financial assistance. Consultations with bilateral donors and non-governmental institutions were undertaken to prevent overlapping and to ensure the complementarity of their activities.

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2. The main programming exercise began in March 1979 when an interministerial working group, chaired by the National Planning Committee, was created. Following extensive deliberation among the parties concerned, the proposed programme of UNDP assistance was approved by the Council of Ministers in November 1979 for submission to the Governing Council. Throughout the exercise, the UNDP office in Vientiane played an important promotional and co-ordinating role in obtaining assistance from the various multilateral sources.

II. Assessment of the previous country programme

3. The second country programme 1975-1979 was approved by the Governing Council prior to the establishment of the present Government. The Government therefore decided to review the programme in the light of its enormous needs for reconstruction and rehabilitation. In the meantime, some ad hoc but urgent programmes were undertaken. The restructured programme is fully in accordance with the development priorities of the Government which are summarized in the following paragraphs.

4. After many years of conflict, the Government's priorities were, principally, the resettlement of displaced persons and the rehabilitation and development of the agricultural base aimed at self-sufficiency in food production. UNDP assistance is therefore concentrated in the agricultural sector for the purpose of increasing crop production, primarily rice, in order to meet the population's need for food. The change in the sectoral distribution of the IPF resources is apparent in the following table.

Table 1

Distribution of the IPF by sector: 1975-1979

	Per cent	
	Planned	Actual
Infrastructure	8.3	13.3
Agriculture	6.1	57.1
Natural resources	4.5	-
Industry	5.0	14.6
Human resources	34.0	5.2
Health	7.0	3.2
Economic and social planning	2.8	4.0
Miscellaneous	0.7	2.6
Reserve	31.6	-
	100.0	100.0

5. Because of a serious drought in 1977 and floods in 1978, UNDP funds were used to meet emergency needs and, at the Government's request, the UNDP office assisted in mobilizing and co-ordinating the emergency assistance programme.

6. As Government structures and management evolved, UNDP-assisted projects expanded from the Vientiane Plain to central and southern provinces which have high economic potential with respect to the resource base.

7. In addition to the common problems in expert recruitment and fellowship placement, delays have been experienced in the import of equipment and supplies because the Lao People's Democratic Republic is landlocked. However, project implementation is building momentum; the annual disbursements from the UNDP IPF gradually increased from $1.5 million in 1977 to $4.6 million in 1979. The following table depicts the build-up of the programme in recent years

Table 2

Phasing of UNDP inputs: 1975-1979

	($000)
1975	1 503
1976	1 233
1977	1 495
1978	2 249
1979	4 620 (est.)
Unprogrammed Reserve	-
Total	11 100

8. In view of the acute shortage of trained human resources many of the projects provided for short-term, stop-gap training of technical personnel. These efforts are being integrated into the establishment of more permanent facilities for agricultural and technical education and training.

9. UNDP undertook to finance technical expertise, equipment and training in support of World Bank (IDA)- and AsDB- assisted projects. Co-operation with UNICEF, UNHCR, the United Nations Fund for Drug Abuse Control and others was initiated during the period. Table 3 shows the distribution of UNDP assistance, by component.

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Table 3

Distribution of IPF by Component: 1975-1979

Component	1975 (actual)	1976 (actual)	1977 (actual)	1978 (actual)	1979 (planned)	1975-1979	Per cent
			($000)				
Experts	1 090	629	311	523	1 340	3 893	32.6
Subcontracts	-	301	307	166	322	1 096	9.2
Training	130	101	29	47	263	570	4.8
Equipment	264	166	815	1 439	3 316	6 000	50.2
Miscellaneous	19	36	33	74	224	386	3.2
Total	1 503	1 233	1 495	2 249	5 465	11 945	100.0

III. Relation of the country programme to national development objectives

10. The priorities of the Government's Three-Year Interim Plan (1978-1980), which is to be followed by a Five-Year Plan (1981-1985), are as follows:

(a) Self-sufficiency in food (through increased irrigation and double-cropping);
(b) Reorganization of agriculture and forestry production (through progressive introduction of co-operative systems);
(c) Industrial development (emphasis on agro-based industries);
(d) Increased livestock production;
(e) Reconstruction and expansion of the road network;
(f) Resettlement of displaced persons, abandonment of slash and burn agriculture and crop substitution for opium-growing farmers;
(g) Expansion of education and literacy and development of vocational training programmes; and
(h) Improvement of health services.

11. The 1980-1985 country programme is designed to contribute to the attainment of the principal development objectives of the Government and is expected to constitute an important source of external assistance during the plan period. In response to the Government's priorities, the country programme concentrates heavily on increased food production and measures to improve food security. Also, the programme provides the basis for the integration of financial and technical assistance from other sources with a number of UNDP-supported projects, particularly in irrigation.

IV. Content and phasing of the country programme

12. Of the 52 projects identified in the country programme, 21 are ongoing and include a total estimated UNDP contribution of $7.8 million; $16 million is allocated for the 31 new projects. Because of the profound political, social, and economic changes in the country and the resultant need to restructure the second cycle country programme, there is only one ongoing project which dates back to 1974. All of the other ongoing projects started between 1977 and 1979.

13. The Government continues to assign high priority to a number of activities aimed at self-sufficiency in food production in the third cycle country programme. Assistance in other sectors, such as natural resources and industry, is also geared, to a large extent, to the need to ensure an adequate supply of food. Considerable UNDP resources are therefore directed towards agricultural land and water development projects.

14. For the 1980-1985 country programme, some carefully selected Government-executed projects are being proposed. Due to the particularly disadvantaged situation of the country (which is among the least-developed countries, the most seriously affected countries, the food deficit and landlocked countries), a broad range of assistance will be provided at all stages of the projects, including the financing of local costs and expanded co-operation with capital assistance sources. A number of the UNDP-supported projects are directly connected with assistance provided by the World Bank (IDA), AsDB, IFAD, UNHCR, UNCDF, UNFPA, UNICEF, WFP, UNFDAC.

Table 4

Sectoral breakdown of programmed resources

Sector	Ongoing projects		New projects		Total	
	Value ($000)	Per cent	Value ($000)	Per cent	Value ($000)	Per cent
General Development	45	0.6	1 287	8.0	1 332	5.3
Natural resources (irrigation and flood control)	1 728	22.0	4 437	27.8	6 165	24.5
Agriculture, forestry and fisheries	4 171	53.1	5 969	37.3	10 140	40.2
Industry (agro-based)	475	6.0	2 001	12.6	2 476	9.8
Transport and communications	1 085	13.8	1 887	11.8	2 972	11.8
Health	173	2.2	-	-	173	0.7
Education	178	2.3	-	-	178	0.7
Employment	-	-	400	2.5	400	1.6
Reserve	-	-	-	-	1 363	5.4
	7 885	100.0	15 981	100.0	25 199	100.0

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Table 5

Breakdown according to function

Function	Ongoing projects Value ($000)	Ongoing projects Per cent	New projects Value ($000)	New projects Per cent	Total Value ($000)	Total Per cent
Institution-building projects	5 290	67.3	4 445	27.8	9 735	38.6
Direct support projects, including investment-oriented projects	1 155	14.7	4 559	28.5	5 714	22.7
Direct training projects	1 365	17.4	5 960	37.3	7 325	29.1
Pilot projects	-	-	120	0.8	120	0.5
Special support projects	45	0.6	897	5.6	942	3.7
Reserve	-	-	-	-	1 363	5.4
	7 855	100.0	15 981	100.0	25 199	100.0

Table 6

Resources taken into account for programming

	($000)
Balance of the second cycle IPF (1980-1981) [a]	9 047
Resources assumed for 1982-1985 (four-fifths of current IPF) [b]	14 200
SMF/LDC funds available	439
LLDC funds available	30
Allowance for adequate programming	1 483
	25 199

[a] This figure represents the difference between the 1977-1981 IPF after adjustment for over-expenditure from the first cycle ($17,411,000) and expenditure for the years 1977-1979 ($8,364,000)

[b] This figure is estimated for planning purposes and it does not imply any commitment of resources by the Governing Council in the third cycle.

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Table 7

Phasing of the country programme

Year	($000)
1980	5 670
1981	4 860
1982	3 754
1983	3 574
1984	3 301
1985	2 677
Reserve	1 363
Total	25 199

V. Recommendation of the Administrator

15. In the light of the views expressed above, the Administrator recommends that the Governing Council:

(a) Approve the proposed UNDP country programme for Lao People's Democratic Republic for the duration of its programme period within the limits of its Indicative Planning Figure for 1977-1981, taking into account the balance of over-expenditure or under-expenditure of its 1972-1976 Indicative Planning Figure; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the country programme while ensuring, in accordance with the decision of the Governing Council at its eighteenth session (E/5543/Rev.1, paragraph 31), that expenditures are kept in reasonable conformity with the relevant Indicative Planning Figures and are contained within the financial resources available at any given time.

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